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FISCAL IMPACT STATEMENT

LS 6982

BILL NUMBER: SB 223

NOTE PREPARED: Apr 7, 2011

BILL AMENDED: Apr 7, 2011

SUBJECT: Health and Human Service Matters.

FIRST AUTHOR: Sen. Miller

FIRST SPONSOR: Rep. Crouch

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Redefinition of Child Care Home*- The bill redefines "class I child care home" to include kindergarten level children as part of the three additional children that may be served during the school year.

Medical Licensing Board- The bill authorizes the Medical Licensing Board of Indiana (MLB) to investigate and assess civil penalties for specified violations by licensed physicians.

Attorney General- The bill requires the Division of Consumer Protection within the Office of the Attorney General (AG) to forward complaints for specified violations to the MLB unless certain circumstances are met.

Appeals- The bill allows a physician who is determined by the MLB to have committed a violation to appeal the MLB's determination.

Physician Compliance Fund- The bill establishes the Physician Compliance Fund (PCF) consisting of penalties assessed and collected by the MLB for violations determined by the MLB through investigations.

Reporting Requirements- The bill specifies reporting requirements that the MLB must make to the National Practitioner Data Bank concerning disciplinary action taken by the MLB, and prohibits the MLB from reporting specified administrative penalties.

Study Committee Topic- The bill requires that the Legislative Council shall assign a committee to study issues concerning the need for surety bonds for certain Medicaid transportation providers to cover

overpayments and false claims.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Redefinition of Child Care Home*- The FSSA reports the redefinition of a Class 1 child care home would not have an impact on state expenditures.

(Revised) *Medical Licensing Board*- The MLB would be given the authority to investigate complaints concerning licensed physicians that currently are investigated by the AG's Division of Consumer Protection. Any additional expenditures necessary to process new investigations would depend on the number of complaints that were investigated by the MLB.

The Professional Licensing Agency (PLA) work group assigned to the MLB would see an increase in their workload to provide the administrative support to the MLB's investigations. The additional funds and resources required by the PLA could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Attorney General- By forwarding complaints to the MLB, this provision could reduce the amount of administrative time the AG's Division of Consumer Protection currently devotes to physician complaint investigations for other consumer protection complaints.

(Revised) *Study Committee Topic*-This provision should have no additional impact to state expenditures, as the Legislative Council would be able to assign the topic required by the bill at a regularly scheduled meeting during the 2011 interim. The committee chosen to study the topic would have to do so within the committee/commission budgetary limits set by resolution of the Legislative Council.

Explanation of State Revenues: *Physician Compliance Fund*- The bill would establish the PCF to fund the administration and enforcement of investigations of physicians conducted by the MLB. The PCF would consist of revenue from civil penalties collected by the MLB from physicians that have been determined by the MLB to have committed a violation. The amount of revenue the PCF could receive is indeterminable, and would depend on the number of civil penalties assessed in future years by the MLB. The bill places a limit of \$1,000 per penalty assessed by the MLB for a violation. Revenue in the PCF at the end of a state fiscal year would not revert to the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General, Professional Licensing Agency; Legislative Council.

Local Agencies Affected:

Information Sources: Professional Licensing Agency; Family and Social Services Administration.

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